

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH- 897**

IN THE MATTER OF:
COMMONWEALTH FUNDING MORTGAGE CORPORATION
d/b/a CFM MORTGAGE

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Commonwealth Funding Mortgage Corporation d/b/a CFM Mortgage ("CFMC") is licensed by the Office of Financial Institutions ("OFI") to conduct business as a mortgage broker. CFMC's principal office is at 8917 Stone Green Way, Louisville, KY 40220 and its mortgage broker license number is 766-B.

2. On March 21-22, 2007, an examination was conducted into the condition, workings and affairs of CFMC in order to determine whether: (1) it was in compliance with applicable laws and regulations; (2) its practices and policies had an adverse impact on prospective borrowers; and (3) it was being operated efficiently, fairly, and in the public interest.

3. In the course of that examination it was discovered that CFMC had violated several provisions of Chapter 286.8 of the Kentucky Revised Statutes. Violations discovered during the course of the examination included collecting an unearned fee in violation of KRS 286.8-120(1), failing to maintain sufficient records in violation of KRS 286.8-160 and 286.8-170(1), and maintaining a website with incorrect information in violation of KRS 286.8-220.

4. All of the violations set forth above have been cited in previous examinations.

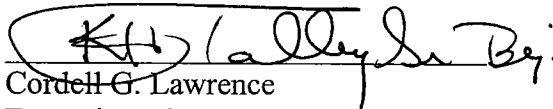
AGREEMENT AND ORDER

The Office of Financial Institutions and Commonwealth Funding Mortgage Corporation, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. Commonwealth Funding Mortgage Corporation agrees to pay a fine in the amount of two thousand (\$2,000) dollars for the violation of the statutes set forth above, which shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

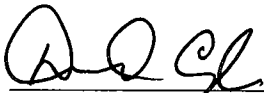
2. In regard to this matter, Commonwealth Funding Mortgage Corporation waives its right to demand a hearing, at which Commonwealth Funding Mortgage Corporation would be entitled to legal representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, Commonwealth Funding Mortgage Corporation consents to and acknowledges the jurisdiction of the Office of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the 2nd day of November, 2007.


Cordell G. Lawrence
Executive Director

Consented to:

This 2nd day of November, 2007



David Coyle, Director
Division of Financial Institutions
Office of Financial Institutions

This 26 day of Sept, 2007



Charles Nunn, President
Commonwealth Funding Mortgage
Corporation